



## **Joint Oversight Committee on Higher Education Governance, Excellence & Transparency**

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### **Panel 2: Overview of public university governance structures, policy development, and implementation**

- I. The Texas Higher Education Coordinating Board's (THECB) overall mission and objectives are more relevant today than ever before.**
  - A. The agency has a critical role in the Texas higher education system. The state has one of the largest higher education systems in the country with 146 public and independent institutions.
  - B. While institutions maintain a high degree of operational autonomy, the THECB's role is to create and manage a statewide, unifying, strategic framework for higher education, to establish goals for educational attainment, and to align higher education with evolving economic development needs.
  - C. The THECB helps the state to deploy academic resources cost-effectively and in a manner that assures the widest access to Texas students through coordination with institutions of higher education.
  - D. Created in 1965, the THECB was charged with "representing the highest authority in the state in matters of public higher education and charged with the duty to take an active part in promoting quality education in the various regions of the state," as described in Texas Education Code, Section 61.051.
  - E. In addition to oversight of the state's master plan, the THECB is to "provide leadership and coordination for the higher education system, institutions, and governing boards, to the end that the State of Texas may achieve excellence for college education of its youth through the efficient and effective utilization and concentration of all available resources and the elimination of costly duplication in program offerings, faculties, and physical plants."
- II. The THECB's annual training for university regents and community college trustees is focused on the state's higher education goals, ethics laws, and using data to drive innovative, effective policies.**

- A. Annually, the THECB organizes a training program for members of university governing boards as prescribed in Texas Education Code, Section 61.084. Until this year, community college trustees were invited to attend but not required to do so by statute.
- B. HB 1206, approved during the 82nd Texas Legislature, Regular Session, requires new members of governing boards of public community college districts to attend the THECB's training within their first two years of service. The legislation calls for training of new members to include best practices in campus financial management, fiscal analysis, and case studies using financial indicators. Training will be expanded to include this type of training beginning this fall.
- C. At the training, university regents and community college trustees receive four hours of official training that includes:
  - A summary of the state's higher education plan and progress towards achieving its goals;
  - An overview on the Accountability System and how it's being used to better serve the needs of our state, communities, and students;
  - Understanding effective trusteeship, ethics, and the avoidance of conflicts of interest through a review of the Public Meetings Act, personal financial statements, the Public Information Act, and previous ethics advisory opinions;
  - A review on funding mechanisms for institutions of higher education and recommendations to alter formula funding; and
  - A panel discussion including governing board members summarizing their concerns, challenges, and expectations as new regents and trustees.
- D. Attendees receive a number of documents including statewide participation and success data, brochures outlining frequently asked questions on Texas conflict laws, and duties and ethics of public sector board members. For a complete list of materials attendees received during the 2010 training, visit <http://www.thecb.state.tx.us/index.cfm?ObjectID=749615E9-B58A-C49D-73B7058E7D8BEDCD>.
- E. The regent and trustee training is followed by a leadership conference which includes the Star Awards Ceremony recognizing outstanding individuals and/or programs at institutions across the state, and the delivery of the State of Higher Education Address by the Commissioner.
- F. The leadership conference also exposes governing board members to some of the state's higher education legislative leaders, emerging policy recommendations, the robust higher education data available and the role it plays in data-driven policy decisions, and key higher education topics.

### **III. The THECB develops policies and legislative recommendations through a transparent and collective process.**

- A. The THECB routinely solicits the input of stakeholders and other interested parties, both formally and informally.
- B. The THECB relies heavily on 12 formal advisory committees for input on issues related to higher education, ranging from formula funding to financial aid policy. These committees are largely composed of representatives from each sector of higher education (universities and community colleges), including students, and have a variety of expertise depending on the subject matter (faculty, business officers, financial aid directors, etc.).
- C. The advisory committees are used to identify and review higher education policy, rules, and procedures recommended by the agency. Additionally, these committees are conduits for institutional representatives to share recommendations for consideration.
- D. In addition to formal advisory committees, the THECB creates advisory committees to provide special advice and input on issues related to higher education.
  - a. For example, the THECB created the Advisory Committee on Higher Education Cost Efficiencies in response to Governor Perry's Executive Order (RP 73).
  - b. The Committee included representatives from universities, community colleges, health-related institutions, and the business community.
  - c. The Committee was charged with identifying and recommending cost efficiencies in higher education.
- E. The THECB regularly engages university Boards of Regents.
  - a. Over the last few years, the THECB Chair and Commissioner have met with each university Board of Regents to keep them informed on key recommendations and policy changes affecting higher education. This practice will continue during the interim.
  - b. More recently, the Commissioner and THECB executive staff members have been in close contact with regents and trustees, sharing data and engaging in constructive dialogue.
- F. The THECB has formally extended this practice by regularly engaging community college leadership.
  - a. For example, board members of the THECB convened a community college work group which included representatives from the Community College Association of Texas Trustees and the Texas Association of Community Colleges. This group met prior to and during the last legislative session to work on outcomes-based funding for two-year institutions.
    - i. While the group failed to reach consensus on execution of this policy, there was broad agreement on a number of key issues related to it, such as the metrics to be used for such a model.
  - b. The THECB staff also created a community college advisory group that is comprised of representatives from two-year colleges that meets regularly.

- c. The THECB staff also has an internal committee comprised of staff from across the division that meets as needed to discuss issues related to two-year colleges.
- G. Finally, the THECB regularly engages institutions on an ad-hoc basis as we develop policy initiatives.
  - a. The Commissioner recently convened an ad-hoc group of financial aid officers to discuss issues and share ideas about the future of financial aid to help the THECB frame potential policy recommendations for next session.
    - i. The goal of this policy discussion was to identify strategies to stretch limited financial aid dollars as broadly as possible in order to assist a minimum of 50 percent of all eligible students.
    - ii. The group will also be used as a sounding board for policy recommendations in the future.
- H. The THECB's track record for responding to input from institutions is clearly evident.
  - a. The THECB significantly improved the TEXAS Grant Priority model proposal passed this session by Chair Zaffirini by responding to concerns from institutions that enrolled less academically prepared students who feared they would lose a share of funding.
  - b. The outcomes-based funding proposal has undergone a significant evolution from a course-completion model to a student outcome model and resulted in the passage of HB 9 by Chair Branch.
    - i. The THECB responded to the community college sector by developing outcomes more commensurate with their mission.
    - ii. The THECB responded to universities by striking a balance between pure degree production and recognizing value in degrees awarded to at-risk students and STEM fields.

#### **IV. Controversy aside, strong consensus exists on higher education goals and positioning Texas as a national leader and global competitor in higher education.**

- A. Open dialogue has demonstrated that there is overwhelmingly strong consensus among business leaders, elected officials, and higher education officials about what Texas must achieve to be educationally and economically competitive.
- B. The challenge is identifying the most appropriate policies designed to sustain access, improve productivity and student achievement, and increase quality at each and every institution in Texas.
- C. The Joint Oversight Committee, which has the unmistakable commitment of the leadership in both chambers of the Legislature, can help establish a pathway and process for a diverse group of stakeholders to find consensus on such policies.
- D. This is a critical time—states across the country are rapidly retooling higher education to meet the challenges of the 21<sup>st</sup> century.
- E. Texas has a unique opportunity to seize a national leadership role in this movement.

- F. The Joint Oversight Committee is uniquely positioned and empowered to reset the dialogue on higher education and establish a clear pathway for Texas.

**V. We strongly urge the Joint Oversight Committee to be focused on meeting the goals of *Closing the Gaps* and establishing a strong foundation for the next phase of Texas' higher education master plan.**

- A. As we move forward, we must remember what goals we are trying to achieve and the environment in which we must achieve them.
  - a. We cannot lose focus on *Closing the Gaps* and the urgency facing the state over the next four years to meet our goals.
  - b. We must recognize the short- and mid-term fiscal challenges at the state and federal level that will squeeze resources and demand more efficiency in higher education.
  - c. We must understand the sense of urgency at the national level to increase the postsecondary educated workforce. The Center on Education and the Workforce recently released a study indicating that the United States must add 20 million more postsecondary educated workers by 2025 for the U.S. to maintain a high level of competitiveness in the global economy. (*The Undereducated American*, Anthony P. Carnevale & Stephen J. Rose)
  - d. Finally, we must begin establishing a clear, strategic framework for the higher education master plan that will follow *Closing the Gaps*.
- B. During the interim, the THECB is focused on specific initiatives to sustain momentum and accelerate progress on key goals to include:
  - a. Exploring deliberate, comprehensive two-plus-two strategies designed to improve transfer rates between two- and four-year institutions thereby creating an effective, cost-efficient pathway for a bachelor's degree.
  - b. Examining a variety of policies and practices that will enable the development of high-quality, low-cost degree offerings.
  - c. Identifying, implementing and improving pathways to degrees for adult populations.
  - d. Ensuring financial aid is used efficiently and for educational purposes.
  - e. Examining funding strategies designed to increase research among Texas' national research and emerging research institutions.

**VI. The THECB is committed to working with the Joint Oversight Committee and institutions, the business community, and other stakeholders to foster meaningful dialogue and policy aimed at preserving quality, increasing productivity, and sustaining momentum.**

- A. The THECB is creating a new statewide Council for Continuous Improvement and Innovation in Texas Higher Education, comprised of business and higher education leaders.

- a. The purpose of the Council is to evaluate key metrics to measure the state's progress in the THECB's long-term vision for Texas higher education, which is to make Texas an international leader in student success and excellence by 2030.
- B. The Council will also identify best practices in higher education cost efficiencies and promote a LEAN culture (i.e., a systemic approach to identifying/eliminating waste and increasing productivity through continuous improvement) on every campus in all areas, not only in operations, but in programs designed to increase student success (i.e., counseling, tutoring, mentoring, financial aid, developmental education, etc.).
- C. The THECB is working to expand and enhance the first edition of the Student Success Handbook released earlier in the year that was specifically designed to highlight successful programs and encourage wider adoption.
- D. The THECB will continue to promote the appropriate use of data.
  - a. The THECB will continue to disseminate relevant data and make it available throughout the higher education system, to policymakers, and the public.
  - b. Timely, relevant, and accurate data must drive good educationally policy.
- E. The THECB will continue to bring visibility to the higher education needs of the state to make sure educational assets are distributed properly and in ways that align with the state's goals.
  - a. Recently, a university proposed creating a new Ph.D. program in Mechanical Engineering, even though a nearby university was already offering the same program with ample capacity for enrollment growth.
  - b. THECB staff intervened to ensure better coordination and communication between the two institutions and fulfill the legislative charge of the agency to help the state avoid costly duplication.
- F. The THECB looks forward to close collaboration with the Texas Coalition for Excellence in Higher Education, the Texas Business Leadership Council, the Texas Association of Business, and other stakeholders committed to helping Texas achieve a position of national leadership in higher education.
- G. Finally, the THECB will continue to work closely with institutions, their presidents and chancellors, and their regents and trustees to fulfill our joint charge to make Texas a national leader and global competitor in educational attainment and economic competitiveness.